

Effective January 1, 2006, by Rate Order No. WAPA 126

Rate Schedule P-SED-F8
(Supersedes Schedule P-SED-F7)

**UNITED STATES DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION**

**PICK-SLOAN MISSOURI BASIN PROGRAM--EASTERN DIVISION
MONTANA, NORTH DAKOTA, SOUTH DAKOTA, MINNESOTA, IOWA,
NEBRASKA**

SCHEDULE OF RATES FOR FIRM POWER SERVICE

Effective:

First Step: The first day of the first full billing period beginning on or after January 1, 2006, through December 31, 2006.

Second Step: Beginning on the first day of the first full billing period beginning on or after January 1, 2007, through December 31, 2010.

Available: Within the marketing area served by the Eastern Division of the Pick-Sloan Missouri Basin Program.

Applicable: To the power and energy delivered to customers as firm power service.

Character: Alternating current, 60 hertz, three phase, delivered and metered at the voltages and points established by contract.

Monthly Rate:

First Step:

DEMAND CHARGE: \$4.20 for each kilowatt per month (kWmonth) of billing demand.

ENERGY CHARGE: 10.69 mills for each kilowatthour (kWh) for all energy delivered as firm power service. An additional charge of 5.21 mills per kWh (mills/kWh), for a total of 15.90 mills/kWh, will be assessed for all energy delivered as firm power service that is in excess of 60-percent monthly load factor and within the delivery obligations under the provisions of the power sales contract.

BILLING DEMAND: The billing demand will be as defined by the power sales contract.

Second Step:

DEMAND CHARGE: \$4.45 for each kWmonth of billing demand.

ENERGY CHARGE: 11.29 mills for each kWh for all energy delivered as firm power service. An additional charge of 5.21 mills/kWh for a total of 16.50 mills/kWh will be assessed for all energy delivered as firm power service that is in excess of 60-percent monthly load factor and within the delivery obligations under the provisions of the power sales contracts.

BILLING DEMAND: The billing demand will be as defined by the power sales contract.

Adjustments:

For Character and Conditions of Service: Customers who receive deliveries at transmission voltage may in some instances be eligible to receive a 5-percent discount on capacity and energy charges when facilities are provided by the customer that result in a sufficient savings to Western to justify the discount. The determination of eligibility for receipt of the voltage discount shall be exclusively vested in Western.

For Billing of Unauthorized Overruns: For each billing period in which there is a contract violation involving an unauthorized overrun of the contractual firm power and/or energy obligations, such overrun shall be billed at 10 times the above rate.

For Power Factor: None. The customer will be required to maintain a power factor at the point of delivery between 95-percent lagging and 95-percent leading.